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SUBJECT: EGYPT: G-20 SUMMIT PARTICIPATION

Classified by Ambassador Margaret Scobey for reason 1.4 (d).

11. (C) Key points:

-- In a March 14 meeting with the Ambassador, Foreign Minister Aboul Gheit asked the U.S. to encourage the British to issue a "last minute" invitation to Egyptian President Mubarak to attend the G-20 summit in London, hinting that Egypt would be prepared to deliver on some other issue. "If you do something on a Saturday, we might do something on a Sunday."

-- UK Ambassador said that the UK foreign minister, while not saying "no," clearly discouraged Aboul Gheit's expectation with regard to an invitation to London when they met at the recent Gaza donors' conference.

-- In a recent meeting with the Ambassador, Finance Minister Boutros Ghali suggested that Mubarak could be invited to the summit as the head of state of country holding the IMFC chair, and sit at the table in Boutros Ghali's place. This, he said, would set no precedent.

12. (C) COMMENT: The Egyptians have proposed a couple of ideas for inviting Mubarak to attend the G-20 financial summit in a manner that would not commit to a permanent seat at the table for Egypt in future summits. We recommend serious consideration of helping Egypt realize this goal, with the expectation that Egypt would find a way to accommodate some future U.S. need.

DETAILS OF DISCUSSIONS  
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13. (C) In a meeting with the Ambassador on March 14, Foreign Minister Aboul Gheit asked that the U.S. urge the U.K. to invite Egypt to the upcoming G-20 Leaders Summit in London. He said he'd asked British Foreign Secretary Milliband in Sharm during the Gaza donors' conference to "extend a last-minute special invitation" to President Mubarak to attend, "but no response back from the British yet." He added, that "now that we (the U.S. and Egypt) are back on the old track of working together and helping each other, we are confident that if you intervene for us, you will succeed. You are the United States. The G-20 is not about economics; it is all political. . .if you do something on a Saturday, we might do something on a Sunday."

14. (C) On March 15, the Ambassador compared notes with her British counterpart who reported that during discussions in Sharm, Milliband had not made any promises to the GOE about an invitation for Mubarak and had tried to discourage expectations. The British Ambassador said he had followed up the Sharm conversation with a suggestion to the Foreign Office that if they were considering inviting the Egyptians, they should ask for something in return, such as Egyptian recognition of Kosovo. The Ambassador said she had also been thinking of a quid pro quo, although thought Kosovo recognition might be too high a price. She was thinking more about the UNESCO candidacy problem. Both agreed that if such

an invitation were issued, something should be expected in return.

¶15. (C) Minister of Finance Yousef Boutros Ghali (YBG) also recently raised the issue of Mubarak's attendance at the G-20 summit in London with the Ambassador. He did not try to make the case for Egypt participation based on Egypt's GDP, noting that his interests as chair of the International Monetary and Financial Committee (IMFC) and as Egypt's Finance Minister "sometimes coincide, but most of the time they don't." This, he said, is the case regarding Egyptian participation in the G-20.

¶16. (C) YBG acknowledged that compared to several other countries, Egypt's relative economic weight does not merit membership in the G-20. At the same time, he said, as the financial crisis continues and governments are searching for a solution, the fact that the G-20 is a self-selected group, with no political legitimacy, poses a problem if the group is to be used as a forum for discussions of possible reforms to the international financial architecture, including the Bretton Woods institutions. This, he said, was the basis of a note that he had sent on a personal basis to UK Finance Minister Alistair Darling, and IMF head Dominique Strauss-Kahn, but which had been accidentally distributed to the entire IMFC.

¶17. (C) In the note, YBG had proposed the inclusion in the recent G-20 meetings and in future meetings of Sweden, the Netherlands, Switzerland, Algeria, the UAE and Gabon. In his analysis, he explained to us, with the inclusion of these countries, plus the current membership of the G-20, the group would include representatives (although perhaps not the same countries), as are currently representing the constituencies of the IMFC. This, he said, would be an important step to transforming the current, ad hoc G-20 based consultations into a forum similar to the IMFC and which has political legitimacy. The IMFC, he argued, has international, legal legitimacy. Member governments are grouped into constituencies, with other countries with which they are accustomed to working, and share common interests. Negotiations on potential reforms to the international financial architecture, of which he is a strong proponent, could be better carried out in such a forum.

¶18. (C) YBG followed up this explanation with his solution to the problem of including Mubarak in the summit. He argued that an invitation to Mubarak would simply be an invitation to the head of state of the country in the IMFC Chair, and not an invitation to Egypt per se. This, he believes, would not set a precedent, and would solve Egypt's problem in this situation.

SCOBAY